



STATE OF HAWAII
PUBLIC UTILITIES COMMISSION
DEPARTMENT OF BUDGET AND FINANCE
465 S. KING STREET, #103
HONOLULU, HAWAII 96813

CARLITO P. CALIBOSO
CHAIRMAN

WAYNE H. KIMURA
COMMISSIONER

JANET E. KAWELO
COMMISSIONER

July 26, 2005

Via electronic mail

Dear Act 95 Workshop Participant:

Re: Act 95, 2004 Hawaii Session Laws
Workshop II – October 3 - 4, 2005
Technical Workshop – October 5, 2005

Act 95, 2004 Hawaii Session Laws, requires the Public Utilities Commission ("Commission") to develop a new ratemaking structure for electric utility companies to encourage the use of renewable energy resources. On November 22 and 23, 2004, the Commission held its first workshop to describe and gather comments generally on renewable portfolio standards ("RPS"), performance-based ratemaking ("PBR") regimes, and on the Commission's methodology for fulfilling the legislative mandate.

The Commission previously invited you to attend its second workshop – scheduled for August 23 and 24, 2004 – to review, describe, and gather comments on specific RPS schemes and PBR regimes, or other incentive regulation, that have been successful in encouraging the use of renewable energy, and proposals on establishing such incentives and regimes, to determine how the new ratemaking structure should be designed. In light of scheduling difficulties and to provide everyone a sufficient opportunity to review the second concept paper,¹ the Commission has re-scheduled the second of the three (3) planned workshops to **Monday, October 3, 2005 and Tuesday, October 4, 2005**, and again invites you to attend. The second workshop will be held each day from 8:00 a.m. to 4:00 p.m. (with approximately an hour break for lunch on your own) at the State Capitol, Room Numbers 325 and 329.² Please contact Catherine Awakuni, Commission Counsel, at 586-2017 or via e-mail at

¹In an attempt to foster a deeper level of discussion on the matter, we asked our consultant, Economists Incorporated ("EI"), to prepare a second concept paper for your review.

²We will arrange for light refreshments during the short breaks that we will take during the day. We recommend that you bring a light jacket, as the rooms may again be cool.

Catherine.P.Awakuni@hawaii.gov by **September 15, 2005** to advise whether you plan to attend the workshop.

In addition, we request that you review the enclosed second concept paper prepared by EI, and provide us with your comments to the issues described therein on or before **September 26, 2004**. Please submit your comments to Catherine P. Awakuni, Commission Counsel, via U.S. mail at 465 South King Street, Room 103, Honolulu, HI 96813, via facsimile at (808) 586-2066, or via electronic mail at Catherine.P.Awakuni@hawaii.gov.

We will analyze and discuss the stakeholders' responses to the second concept paper. Most of the first workshop was spent listening to the views of those who responded to the first concept paper in the panels. For the second workshop, the Commission intends to conduct a panel hearing wherein the Commissioners, the Commission's staff, and the Commission's consultant, EI, will question and discuss the various issues raised by the stakeholders' responses to the second concept paper.

The Commission is organizing a one-day technical workshop for a small group of stakeholders to discuss the inputs on the planned market simulations. The goals of the technical workshop are to describe and to gather comments on how the RPS in Hawaii, the alternative regulatory regimes overseeing it, and candidate renewable energy resources can be modeled in a series of planned market simulations. This technical meeting is scheduled for **Wednesday, October 5, 2005**. Please contact Catherine Awakuni to advise whether you would also like to participate in this technical workshop. If requested, we will send you a technical paper (scheduled to be published in mid-August) describing, among other things, the software tools, scenarios, geographic scope, base year, study period, special modeling routines, and the modeling of candidate renewable energy resources in Hawaii.

We will place our papers and any responses that we receive on our website: <http://www.state.hi.us/budget/puc/puc.htm> subsequent to publication and receipt, respectively, and as soon as possible. We look forward to working with you on this important task.

Sincerely,



Carlito P. Caliboso
Chairman

CPC:CPA:eh